

**IN THE UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

In re	§	
	§	
Core Scientific, Inc., et al,	§	Case No. 22-90341
	§	
Debtors¹	§	(Jointly Administered
	§	Chapter 11 Cases)

**NOTICE OF PERFECTION, MAINTENANCE, AND CONTINUATION
OF SECURITY INTEREST (MECHANICS LIEN) PURSUANT TO
11 U.S.C. §§ 362, 546(b) BY COONROD ELECTRIC CO. LLC**

TO THE DEBTORS, THEIR ATTORNEYS AND ANY AND ALL INTERESTED PERSONS:

Creditor Coonrod Electric Co. LLC (“CEC”) by and through its undersigned counsel, hereby files this notice of perfection, maintenance, and continuation of perfection of its mechanic’s lien against Debtor CORE Scientific, Inc. (“CORE”), pursuant to 11 U.S.C. section 362(b)(3) and 546 (b)(2)(A) (“Notice”). In support of this Notice, CEC represents the following:

1. CEC is a Texas limited liability corporation, in the business of, *inter alia*, furnishing labor and material for electrical services, with its principal place of business at 213 N. Rachal Avenue, Sinton, Texas 78387.

2. CORE entered into contracts with Huband-Mantor Construction (“HMC”), as original contractor to perform construction at the Cottonwood #2 Data Processing Center located in Reeves County, Texas (“Construction Project”). HMC in turn entered into contracts with CEC, as an electrical subcontractor, to furnish labor and materials for use on the Construction

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are as follows: Core Scientific Mining LLC (6971); Core Scientific, Inc. (3837); Core Scientific Acquired Mining LLC (N/A); Core Scientific Operating Company (5526); Radar Relay, Inc. (0496); Core Scientific Specialty Mining (Oklahoma) LLC (4327); American Property Ac2quisiting, LLC (0825); Starboard Capital LLC (6677); RADAR LLC (5106); American Property Acquisitions I, LLC (9717); and American Property Acquisitions, VII, LLC (3198). The Debtors’ corporate headquarters and service address is 210 Barton Springs Road, Suite 300, Austin, Texas 78704.

Project and for the improvement of certain real property leased, or reputed to be leased, by CORE (“Property”).

3. Prior to the bankruptcy petition being filed, CEC furnished labor and materials for the Construction Project in accordance with the scope of work contained in its contracts with HMC.

4. The principal sum, exclusive of interest and other charges, currently due and owing to CEC for the prepetition labor and materials provided to the Construction Project totals the sum of \$677,993.88.

5. On November 15, 2022, CEC recorded its Affidavit Claiming Mechanic’s and Materialmen’s Lien against the Construction Project and Project in the total amount of \$677,993.88. A true and correct copy of the mechanic’s lien Affidavit recorded in Official Records of Reeves County as Instrument No. 2022007984 (“Lien”) is attached hereto as Exhibit “A” and incorporated herein by reference. The legal description of the Property is included in the Lien attached as Exhibit “A”.

6. Bankruptcy Code, 11 U.S.C. section 362(b)(3), provides that:

The filing of a petition under section 301, 302, or 303 of this title...does not operate a stay... under subsection (a) of this section, of any act to perfect, or to maintain or continue the perfection of, an interest in property to the extent that the trustee’s rights and powers are subject to perfection under Section 546(b) of this title or to the extent that such act is accomplished within the period provide under section 547(e)(2)(A) of this title. 11 U.S.C. § 362(b)(3).

Bankruptcy Code, 11 U.S.C. section 546(b), provides that:

(1) The rights and powers of a trustee under sections 544, 545, and 549 of this title are subject to any generally applicable law that-

(A) Permits perfection of an interest in property to be effective against an entity that acquires rights in such property before the date of perfection; or

(B) Provides for the maintenance or continuation of perfection of an interest in property to be effective against an entity that acquire rights in such property before the date on which action is taken to effect such maintenance or continuation.

(2) If –

(A) a law described in paragraph (1) requires seizure of such property or commencement of an action to accomplish such perfection, or maintenance or continuation of perfection of an interest in property; and

(B) such property has not been seized or such an action has not been commenced before the date of the filing of the petition;

Such interest in such property shall be perfected, or perfection of such interest shall be maintained or continued, by giving notice within the time fixed by such law for such seizure or such commencement. 11 U.S.C. § 546(b).

7. Pursuant to §53.158 of the Texas Property Code, a lien claimant must commence an action to foreclose its lien not later than the first anniversary of the last day a claimant may file the lien affidavit. Because CORE filed its Chapter 11 petition for bankruptcy on or about December 21, 2022, it created an automatic stay of all actions, including CEC's filing suit to foreclose its Lien against CORE's interest in the Property. Thus CEC is prevented from commencing an action to enforce its Lien against CORE and its interest in the Project and perfect its Lien under the law.

8. CEC hereby gives this notice in lieu of the commencement of any action to perfect, maintain, or otherwise preserve its Lien pursuant to 11 U.S.C. §546(b) and Chapter 53 of the Texas Property Code, including but not limited to the filing or continuation of a lawsuit to enforce and/or foreclose the Lien, the filing of any *lis pendens* or the service of notice on the owner of the Property or upon CORE, the owner of an interest in the Construction Project and Property. By virtue of this notice and applicable law, CEC demands adequate protection of its interests in the Construction Project and Property.

9. CEC hereby gives notice it intends to enforce its rights under its Lien to the fullest extent allowed under the law. This Notice shall preserve and continue to preserve any and all of CEC's rights as to its Lien under Texas law and the Bankruptcy Code.

10. CEC reserves the right to amend, supplement, or otherwise modify this Notice and reserves any and all rights to seek relief from the automatic stay to take any other further actions which may be necessary to perfect or maintain or continue its perfected claim of Lien against the Construction Project and Property and any of works of improvement constructed thereon, CEC's interest in the Construction Project and CORE's interest in the Real Property, if any.

Dated: January 31, 2023

Respectfully submitted,

BRANSCOMB PLLC
4630 North Loop 1604 West, Suite 206
San Antonio, Texas 78249
Telephone 210-598-5401
Telecopier 210-598-5405
Email pautry@branscomblaw.com

BY: /s/ Patrick H. Autry
Patrick H. Autry
State Bar No. 01447600
ATTORNEYS FOR COONROD
ELECTRIC CO., LLC

CERTIFICATE OF SERVICE

The undersigned certifies that a true copy of the foregoing was served by email January 31, 2023, upon the following:

Counsel for Debtor:

Alfredo R. Perez
WEIL GOTSHAL & MANGES LLP
700 Louisiana Street. Suite 1700
Houston, Texas 77002
Email: Alfredo.Perez@weil.com

Ray Schrock
WEIL GOTSHAL & MANGES LLP
767 Fifth Avenue
Ne York, New York 10153
Email: Ray.Schrock@weil.com

U.S.Trustee:

Alicia Lenae Barcomb
Office of the US Trustee
515 Rusk Street, Suite 3516
Houston, TX 77002
Email: alicia.barcomb@usdoj.gov

/s/ Patrick H. Autry
Patrick H. Autry

Exhibit A - Affidavit

AFFIDAVIT CLAIMING MECHANIC'S AND MATERIALMAN'S LIEN

STATE OF TEXAS §

§

COUNTY OF REEVES §

BEFORE ME, the undersigned authority, on this day personally appeared Danny Cook, the undersigned Affiant, who on oath swears that the following statements are true and are within the personal knowledge of Affiant:

1. My name is Danny Cook. I am Chief Commercial Officer of Coonrod Electric Co., LLC ("Claimant"). This affidavit is made to perfect a mechanic's and materialman's lien against the real property described on Exhibit "A" attached hereto and made a part hereof for all purposes (the "Property").

2. Claimant has an unpaid claim in the amount of \$677,993.88 ("Claim Amount") for labor and materials furnished on the Property. The Claim Amount is, within my personal knowledge, just and true, the same is due and unpaid, and all just and lawful offsets, payments, and credits have been allowed.

3. The name and last known address of the owner or reputed owner ("Owner") of the real property and improvements on which this claim is made is Core Scientific, Inc., whose mailing address is 106 E. 6th St., Austin, Texas 78701. The address for the registered agent of Core Scientific, Inc. is Registered Agent Solutions, Inc., 5301 Southwest Pkwy, Ste. 400, Austin, Texas 78735.

4. Claimant furnished labor and material for electrical services for construction of improvements on a nonresidential project known as the Cottonwood #2 data processing center situated on the Property. Specifically, Claimant provided labor and electrical supplies to perform this work. Invoices containing a description of the work and reflecting the charges for the work are attached hereto as Exhibit "B" and made a part hereof for all purposes (the "Invoices").

5. Claimant furnished the above-described laborers and material pursuant to a contract with Huband-Mantor Construction, Inc., the Original Contractor on the above referenced project, whose last known mailing address is 43000 IH-10 West, Boerne, Texas 78006. The address of the Original Contractor's registered agent is Kenneth J. Mantor, 37 FM 1621 Comfort, Texas 78013.

6. Claimant claims a mechanic's and materialman's lien on the Property and improvements thereon to secure payment of its Claim Amount in accordance with the Texas Property Code. Claimant reserves the right to file an amended lien affidavit.

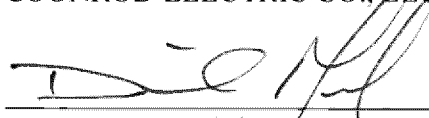
7. Claimant's physical address is 213 N Rachal Ave, Sinton, TX 78387. Claimant's mailing address is PO Box D, Sinton, Texas 78377.



8. Claimant's notices of mechanic's lien were sent to the Owner by United States certified mail, return receipt requested, on the following dates: August 29, 2022, and November 3, 2022.

9. In compliance with the Texas Property Code, Claimant is sending one copy of this affidavit to Owner at its last known address and also one copy to the above-referenced Original Contractor at its last known address.

COONROD ELECTRIC CO., LLC

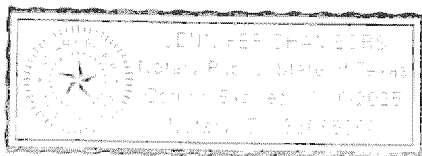


Danny Cook, Chief Commercial Officer

STATE OF TEXAS §

COUNTY OF Midland §

SUBSCRIBED AND SWORN TO BEFORE ME on this 14th day of November 2022, by the said Danny Cook, Chief Commercial Officer of Coonrod Electric Co., LLC, on behalf of such company.

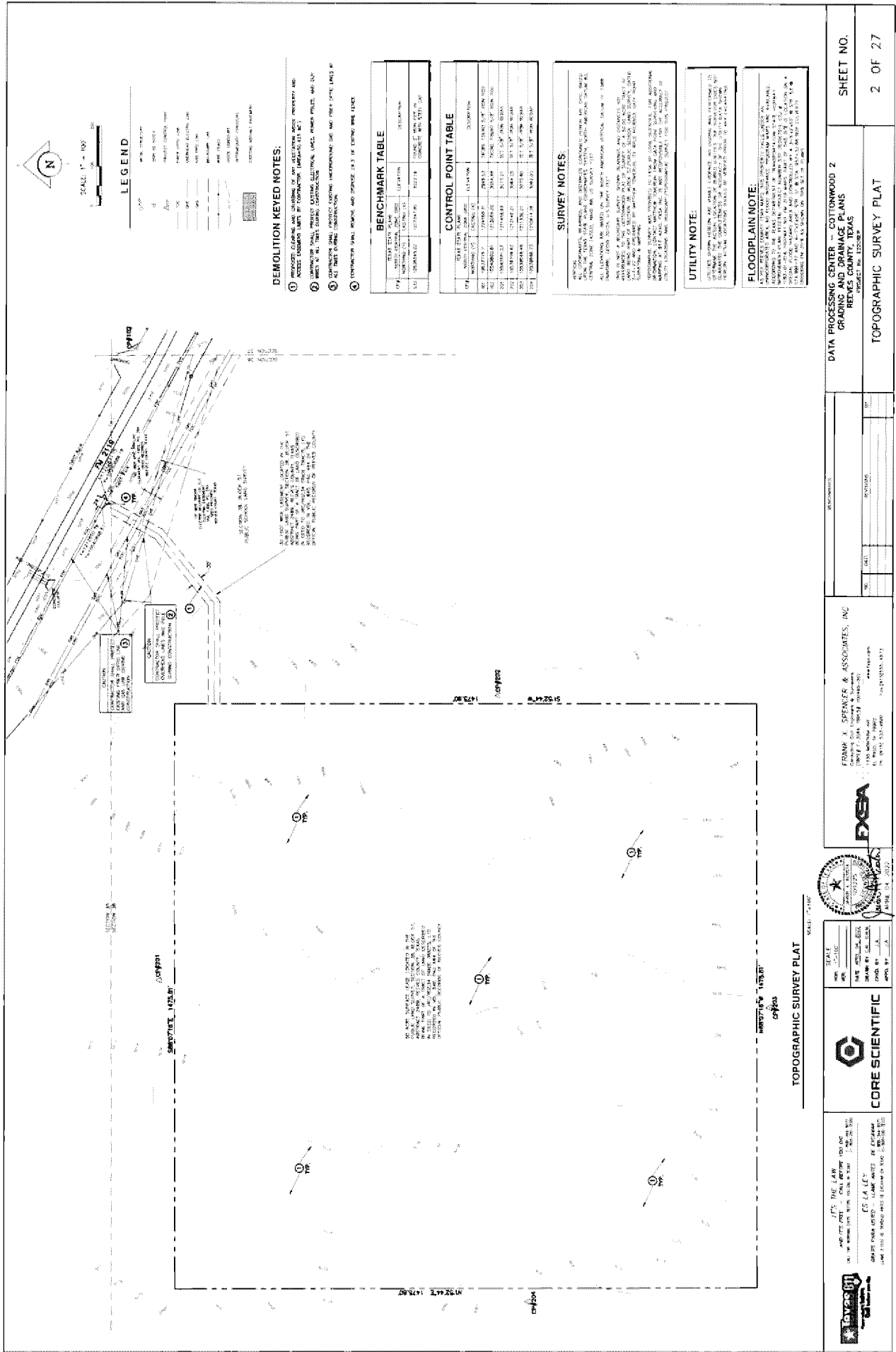

Notary Public, State of Texas

AFTER RECORDING, RETURN TO:

Branscomb Law
Attn: J.D. Egbert
802 N. Carancahua, Ste. 2300
Corpus Christi, Texas 78401



EXHIBIT "A"



APPLICATION AND CERTIFICATE FOR PAYMENT

Invoice #: 59229

To Huband-Mantor Construction, Inc.
Owner: 43000 IH-10 West

Project 22-03.046 Core Scientific - Cottonwood
Phase II

Application No. : 3

Distribution to :
☐ Owner
☐ Architect
☐ Contractor
☐

Boerne, TX 78006

Period To: 7/31/2022

From Contract: COONROD ELECTRIC CO, LL Via Architect:

P.O. BOX D

SINTON, TX 78387

Project Nos:

Contract For:

Contract

CONTRACTOR'S APPLICATION FOR PAYMENT

Application is made for payment, as shown below, in connection with the Contract.
Continuation Sheet is attached.

1. Original Contract Sum	\$4,578,499.00
2. Net Change By Change Order	\$296,680.71
3. Contract Sum To Date	\$4,875,179.71
4. Total Completed and Stored To Date	\$4,619,300.54
5. Retainage:	
a. 5.00% of Completed Work	\$230,965.04
b. 0.00% of Stored Material	\$0.00
Total Retainage	\$230,965.04
6. Total Earned Less Retainage	\$4,388,335.50
7. Less Previous Certificates For Payments	\$3,941,306.66
8. Current Payment Due	\$447,028.84
Sales Tax (0.0000 % on 0.00)	0.00
Current Payment Due Plus Sales Tax	447,028.84
9. Balance To Finish, Plus Retainage	\$486,844.21

The undersigned Contractor certifies that to the best of the Contractor's knowledge, information, and belief, the work covered by this Application for Payment has been completed in accordance with the Contract Documents. That all amounts have been paid by the Contractor for Work for which previous Certificates for Payment were issued and payments received from the Owner, and that current payment shown herein is now due.

CONTRACTOR: COONROD ELECTRIC CO, LLC

By: Taylor Fritsch Date: 7/19/22

State of: _____
Subscribed and sworn to before me this _____
Notary Public: _____
My Commission expires: _____

County of: _____
day of _____

AMOUNT CERTIFIED \$447,028.84

(Attach explanation if amount certified differs from the amount applied. Initial all figures on this Application and on the Continuation Sheet that are changed to conform with the amount certified.)

CHANGE ORDER SUMMARY	Additions	Deductions
Total changes approved in previous months by Owner	\$296,680.71	\$0.00
Total Approved this Month	\$0.00	\$0.00
TOTALS	\$296,680.71	\$0.00
Net Changes By Change Order	\$296,680.71	

EXHIBIT "B"

A finance charge of 1.5% per month will be assessed for all overdue invoices.

CONTINUATION SHEET

Page 2 of 2

Application and Certification for Payment, containing

Contractor's signed certification is attached.

In tabulations below, amounts are stated to the nearest dollar.

Use Column I on Contracts where variable retainage for line items may apply.

Application No. : 3**Application Date :** 07/19/22**To:** 07/31/22**Architect's Project No.:****Invoice # :** 59229**Contract :** 22-03.046 Core Scientific - Cottonwood Phase II

A	B	C	D		E	F	G	H	I
Item No.	Description of Work	Scheduled Value	Work Completed		Materials Presently Stored (Not in D or E)	Total Completed and Stored To Date (D+E+F)	% (G / C)	Balance To Finish (C-G)	Retainage
			From Previous Application (D+E)	This Period In Place					
1	Ant Box Pad #1	251,388.40	251,388.40	0.00	0.00	251,388.40	100.00%	0.00	
2	Ant Box Pad #2	251,388.40	251,388.40	0.00	0.00	251,388.40	100.00%	0.00	
3	Ant Box Pad #3	251,388.43	251,388.43	0.00	0.00	251,388.43	100.00%	0.00	
4	Ant Box Pad #4	1,188,650.02	898,983.77	289,666.26	0.00	1,188,650.03	100.00%	-0.01	
5	Ant Box Pad #5	782,866.31	670,768.56	112,097.75	0.00	782,866.31	100.00%	0.00	
6	Ant Box Pad #6	251,388.43	251,388.43	0.00	0.00	251,388.43	100.00%	0.00	
7	Ant Box Pad #7	251,388.43	251,388.44	0.00	0.00	251,388.44	100.00%	-0.01	
8	Ant Box Pad #8	251,388.43	251,388.43	0.00	0.00	251,388.43	100.00%	0.00	
9	Ant Box Pad #9	314,235.53	314,235.53	0.00	0.00	314,235.53	100.00%	0.00	
10	Tech Building	255,879.19	0.00	0.00	0.00	0.00	0.00%	255,879.19	
11	Power to Tech Building	44,595.57	0.00	44,595.57	0.00	44,595.57	100.00%	0.00	
12	Communications Raceway	483,941.86	459,744.77	24,197.09	0.00	483,941.86	100.00%	0.00	
13	CO1 - Expedited schedule phase I 6/1	296,680.71	296,680.71	0.00	0.00	296,680.71	100.00%	0.00	
Grand Totals		4,875,179.71	4,148,743.87	470,556.67	0.00	4,619,300.54	94.75%	255,879.17	230,965.04

APPLICATION AND CERTIFICATE FOR PAYMENT

Invoice #: 60081

To Huband-Mantor Construction, Inc.
Owner: 43000 IH-10 WestProject 22-03.046 Core Scientific - Cottonwood
Phase II

Application No. : 4

Distribution to :

☐ Owner
☐ Architect
☐ Contractor
☐
☐

Boerne, TX 78006

Period To: 8/22/2022

From Contract: COONROD ELECTRIC CO, LL Via Architect:

P.O. BOX D

SINTON, TX 78387

Retainage Release

Project Nos:

Contract For:

Contract

CONTRACTOR'S APPLICATION FOR PAYMENTApplication is made for payment, as shown below, in connection with the Contract.
Continuation Sheet is attached.

1. Original Contract Sum	\$4,578,499.00
2. Net Change By Change Order	\$296,680.71
3. Contract Sum To Date	\$4,875,179.71
4. Total Completed and Stored To Date	\$4,619,300.54
5. Retainage:	
a. 0.00% of Completed Work	\$0.00
b. 0.00% of Stored Material	\$0.00
Total Retainage	\$0.00
6. Total Earned Less Retainage	\$4,619,300.54
7. Less Previous Certificates For Payments	\$4,388,335.50
8. Current Payment Due	\$230,965.04
Sales Tax (0.0000 % on 0.00)	0.00
Current Payment Due Plus Sales Tax	230,965.04
9. Balance To Finish, Plus Retainage	\$255,879.17

The undersigned Contractor certifies that to the best of the Contractor's knowledge, information, and belief, the work covered by this Application for Payment has been completed in accordance with the Contract Documents. That all amounts have been paid by the Contractor for Work for which previous Certificates for Payment were issued and payments received from the Owner, and that current payment shown herein is now due.

CONTRACTOR: COONROD ELECTRIC CO, LLC

By: Taylor Fritsch Date: 8/22/22

State of: _____
 Subscribed and sworn to before me this _____
 Notary Public: _____
 My Commission expires: _____

County of: _____
 day of _____

AMOUNT CERTIFIED \$230,965.04

(Attach explanation if amount certified differs from the amount applied. Initial all figures on this Application and on the Continuation Sheet that are changed to conform with the amount certified.)

CHANGE ORDER SUMMARY	Additions	Deductions
Total changes approved in previous months by Owner	\$296,680.71	\$0.00
Total Approved this Month	\$0.00	\$0.00
TOTALS	\$296,680.71	\$0.00
Net Changes By Change Order	\$296,680.71	

A finance charge of 1.5% per month will be assessed to all overdue invoices.

CONTINUATION SHEET

Page 2 of 2

Application and Certification for Payment, containing

Contractor's signed certification is attached.

In tabulations below, amounts are stated to the nearest dollar.

Use Column I on Contracts where variable retainage for line items may apply.

Application No. : 4

Application Date : 08/22/22

To: 08/22/22

Architect's Project No.:

Invoice # : 60081

Contract : 22-03.046 Core Scientific - Cottonwood Phase II

A Item No.	B Description of Work	C Scheduled Value	D Work Completed		F Materials Presently Stored (Not in D or E)	G Total Completed and Stored To Date (D+E+F)	H % (G / C)	I Balance To Finish (C-G)	Retainage
			From Previous Application (D+E)	This Period In Place					
1	Ant Box Pad #1	251,388.40	251,388.40	0.00	0.00	251,388.40	100.00%	0.00	
2	Ant Box Pad #2	251,388.40	251,388.40	0.00	0.00	251,388.40	100.00%	0.00	
3	Ant Box Pad #3	251,388.43	251,388.43	0.00	0.00	251,388.43	100.00%	0.00	
4	Ant Box Pad #4	1,188,650.02	1,188,650.03	0.00	0.00	1,188,650.03	100.00%	-0.01	
5	Ant Box Pad #5	782,866.31	782,866.31	0.00	0.00	782,866.31	100.00%	0.00	
6	Ant Box Pad #6	251,388.43	251,388.43	0.00	0.00	251,388.43	100.00%	0.00	
7	Ant Box Pad #7	251,388.43	251,388.44	0.00	0.00	251,388.44	100.00%	-0.01	
8	Ant Box Pad #8	251,388.43	251,388.43	0.00	0.00	251,388.43	100.00%	0.00	
9	Ant Box Pad #9	314,235.53	314,235.53	0.00	0.00	314,235.53	100.00%	0.00	
10	Tech Building	255,879.19	0.00	0.00	0.00	0.00	0.00%	255,879.19	
11	Power to Tech Building	44,595.57	44,595.57	0.00	0.00	44,595.57	100.00%	0.00	
12	Communications Raceway	483,941.86	483,941.86	0.00	0.00	483,941.86	100.00%	0.00	
13	CO1 - Expedited schedule phase I 6/1	296,680.71	296,680.71	0.00	0.00	296,680.71	100.00%	0.00	
Grand Totals		4,875,179.71	4,619,300.54	0.00	0.00	4,619,300.54	94.75%	255,879.17	0.00

**Reeves County
Dianne O. Florez
Reeves County Clerk**

Instrument Number: 2022007984

eRecording - Real Property

LIEN

Recorded On: November 15, 2022 08:28 AM

Number of Pages: 8

" Examined and Charged as Follows: "

Total Recording: \$50.00

******* THIS PAGE IS PART OF THE INSTRUMENT *******

Any provision herein which restricts the Sale, Rental or use of the described REAL PROPERTY
because of color or race is invalid and unenforceable under federal law.

File Information:

Document Number: 2022007984
Receipt Number: 20221115000001
Recorded Date/Time: November 15, 2022 08:28 AM
User: Rebecca G
Station: CLERK07

Record and Return To:

Simplifile



**STATE OF TEXAS
COUNTY OF REEVES**

**I hereby certify that this Instrument was FILED In the File Number sequence on the date/time
printed hereon, and was duly RECORDED in the Official Records of County, Texas.**

Dianne O. Florez
Reeves County Clerk
Reeves County, TX